(c) whether it is also a fact that the mills has been closed down and attempts being made to postpone the payments by taking shelter under 'sick' industries provision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (c) Syndicate Bank has reported that around the end of 1984, it was noticed that the Company had indulged in discontinuing documentary bills supported by fake lorry receipts for accommodation purpose >n collusion with the transport carriers who had issued lorry receipts without cover of goods. It is also alleged that some of the lorry receipts were forged. Bills amounting to over Rs. 40 lakhs have been returned unpaid and have not been reimbursed by the Company even after a lapse of considerable time. Out of these, 76 bills amounting to Rs. 35,35,974/- are backed by fake lorry receipts. Out of the balance, some more bills are suspected to be bogus bills.

In view of the above fradulent action, the Bank has frozen the credit facilities. The matter has also been handed over to CBI for investigation. On 3-7-85, the Bank had also sought for the compulsory winding up of the Company under Section 433(A) and (F) read with Section 434 of the Companies *Act* in the High Court of Kartataka for recovery of its dues. On the basis of an application filed hy the Bank in September 1985, the High Court of Karnataka had passed orders for the appointment of Provisional Official Liquidator on 4-10-85 to take custody of all Ihe assets of the Company. However, on 7-10-85, the Managing Director of ihe Company filed two applications in the Hon'ble High Court for recalling the order passed by it appointing the Provisional "Liquidator on the ground, among others, that the Company has represented to the Government of Karnataka to take over the Unit by declaring the Company as a Relief Undertaking under the provisions of Karnataka Relief Undertaking Act. 1977. The Bank has reported that the Mill is closed since 16-2-1985 under lock out by ihe management.

Peerless General Finance and Investment Company

2886. SHRI SULTAN SlNGH; Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some Members of Parliament have submitted to him a memorandum highlighting the state of affairs in the Peerless General Finance and Investment Company;

(b) if so, what are the contents thereof; and

(c) whal is Government's reaction thereto?

THE MINISTER OF STATE TN THE MINISTRY OF FINANCE (SHRl JANARDHAN POOJARI): (a) and (b) Government have received memoranda and letters including some from Honourable Members of Parliament, concerning the state of affairs in the Peerless General Finance and Investment Company Limited. These mainly urge for nationalisation of the Company.

(c) The Government and Reserve Bank of India are seized of the activities of the Company. The State Government of West Bengal issued a notice to the Company in 1979 under the provisions of the rules framed by the State Government under the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 to submit statements of particulars and winding up plans. The Company obtained a stay order from (he" Calcutta High Court in {his regard. Government has already initiated necessary steps to expedite disposal of the Court cases.

Increase in prices of steel etc. for National Textile Corporation Programmes

2887. SHRI BIR BHADRA PRATAP SlNGH: Will the Minister of TEXTILES be pleased to state.

(a) whether any principle has been followed to effect statutory increase in prices of steel and other materials in the price structure of fixed rate contracts awarded to various executing agencies for carrying out the modernisation programmes of the various units under the National Textile Corporation Limited or its subsidiaries;

(b) if so, what are the details thereof;

(c) whether it is also a fact that various executing agencies involved with the subsidiaries of the Corporaton have stoped work on modernisation programmes of respective mills/units due to excessive cost escalation; and

(d) if so, what action is being taken to revise the price suitably so that completion of modernisation programme is quickly ensured both in respect of civil and mechanical engineering jobs of National Textile Corporation Units?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES- (SHRI 'JCHURSHID ALAM KHAN); (a) and (b) Existing civil construction contracts have a clause for statutory increase in prices except for steel and cement, which are the responsibility of the NTC to provide. As regard machinery supply orders, these do not contain escalation clause becaus© price is finalised with the suppliers after each budget and holds valid for the year.

(c) and (d) Modernisation projects of "NTC have proceeded in most cases on schedule. In some cases, there were delays, but not on account of escalation clause for price increase in contract agreements. Implementation of modernisation is closely monitored and suitable action taken wherever necessary.

Inonie Tax raids in Bombay

2888. SHRI DHULESHWAR MEENA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Income-tax authorities in Bombay raic!ed the residential and commercial premises of leading firm personalities and prominent (film distributors, exhibitors and exporters in the tity~during the last week of November. 1985;

(b) if so, what are the naniSs" of persons whose premises were raided;

(c) what is the unaccounted and concealed money and jewellery seized from each of the tax-dodgers; and

(d) what further action Government propose to take in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): ("ay to (d) Yes. Sir. Income-tax Department carried out searches on 28th November, 1985 at Bombay in the cases °f him personalities and prominent film distributors and exhibitors. The names of the persons searched and the value of *prima-facie* unaccounted cash and jewellery seized are as under:—

Sl. No.	Name of person	Value of assets seized (in Rupees)	
		Cash	Jewellery
1	Shri B. R. Chopra including C.V.K. Shashtry .	2,91,390	15,45,000
2	Shri Yash Chopra	Nil	Nil
3	Shri Gulshan Rai	61,000	30,40,000
4	Shri Sawan Kumar Tak including Usha Khanna .	1,53,000	2,11,000
5	Shri Subhash Ghai	1,70,000	2,33,000
6	Shri Pranlal Doshi	7,33,000	5,65,000
7	Shri N. N. Sippy	Nil	42,000

Necessary action under various provi sions of Direct Taxes Acts has been initiated.